

## Message Text

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62

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

UNCLAS STATE 178753

TOSHU/TOECO 11

FOLLOWING STATE 178753 SENT ACTION MOSCOW INFO ROME SEPTEMBER 7:

QUOTE

UNCLAS STATE 178753

E.O. 11652: N/A

TAGS:EAGR

SUBJECT: ALLEGED DIVERSION OF US WHEAT BY THE SOVIET UNION

1. AT WHITE HOUSE PRESS BRIEFING TODAY, MR. WARREN WAS ASKED ABOUT ALLEGED SALES OF US WHEAT BY THE SOVIET UNION TO ITALY. THIS IS THE LATEST IN A SERIES OF REPORTS CONCERNING SUPPOSED DIVERSION OF US WHEAT BY THE SOVIETS TO THIRD COUNTRIES. IN ORDER THAT DEPARTMENT CAN RESPOND ACCURATELY TO INQUIRIES, EMBASSY IS REQUESTED TO VERIFY WITH SOVIET AUTHORITIES WHETHER US WHEAT IS ACTUALLY BEING SOLD TO ITALY.

2. IN THE CASE OF CCC FINANCED WHEAT THE USSR HAS THE RIGHT TO SHIP ONLY TO CEMA COUNTRIES UNDER TERMS OF EXCHANGE OF UNCLASSIFIED

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NOTES IN CONNECTION WITH THE GRAINS AGREEMENT OF JULY 8,

1972. EVEN IN THE CASE OF US WHEAT PURCHASED FOR CASH, HOWEVER, SALES BY THE SOVIETS TO OTHER COUNTRIES CAN BE A SOURCE OF SEVERE EMBARRASSMENT TO USG.

3. TEXT OF AP NEWS ITEM FOLLOWS: BEGIN TEXT: SEN. WALTER HUDDLESTON, D-KY, TOLD ABC RADIO TODAY THAT HE HAS INFORMATION THAT THE SOVIET UNION IS SELLING WHEAT TO ITALY AT THE CURRENT HIGH MARKET PRICE. "WE BELIEVE THIS IS WHEAT THAT THE SOVIET UNION HAS PURCHASED FROM THE UNITED STATES, SUBSIDIZED BY THE AMERICAN TAXPAYER, AND THAT THEY ARE AT LEAST DOUBLING THEIR MONEY ON THIS WHEAT . . . ARE MAKING HUGE PROFITS."

ABC SAID HE MADE THE STATEMENT IN AN INTERVIEW FROM HIS SENATE OFFICE. HE SAID HE HAS BEEN INFORMED THAT A 1000 TON VESSEL WAS UNLOADING WHEAT NOW IN A HARBOR NEAR ROME, ABC REPORTED.

"WE'RE ASKING THE SECRETARY OF AGRICULTURE, EARL BUTZ, TO INVESTIGATE THE SITUATION AND DEVELOP INFORMATION THAT WILL BE HELPFUL TO US IN PROVIDING FOR FUTURE REGULATIONS, OR WHATEVER MIGHT BE NECESSARY TO SEE THAT THE PEOPLE OF THE UNITED STATES ARE PROTECTED AND THAT SHORTAGES ARE NOT CREATED IN THIS COUNTRY WHILE ALLOWING OTHER FOREIGN NATIONS TO REAP HUGE PROFITS ON THE PRODUCTS OF OUR FARMS," HE SAID. RUSH UNQUOTE RUSH

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## Message Attributes

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